

TESTIMONY OF ENFORCEMENT DIRECTOR G. ARCHIE MILLBEN, STEPHEN J.
GOBBO, MANAGER – COMPLIANCE AND LEGAL, OF THE ENFORCEMENT
DIVISION, AND AMY SHELL, POLICY SPECIALIST

BUREAU OF COMMERCIAL SERVICES

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

BEFORE THE HOUSE REGULATORY REFORM COMMITTEE

JUNE 5, 2007

Good afternoon, Chairperson Farrah, and other members of the Committee. The Department of Labor and Economic Growth is supportive of the concept of these bills, and welcomes the regulation of Mixed Martial Arts. We do have some comments and suggested revisions to the bill attached to our testimony today that will improve our ability to regulate this occupation.

I have with me today, Stephen Gobbo, Esq., coordinates legal affairs within the Enforcement Division, including the supervision of contested case hearings and appeals resulting from enforcement of the Boxing Regulatory Act and Amy Shell is the Bureau's Policy Specialist and is assigned to the Licensing Division. Enforcement Director, Archie Millben, the person who is responsible for overseeing and managing the Boxing program in the State of Michigan could not be with us today.

Each of us have had the opportunity, on behalf of the Department, Bureau, and our respective Divisions, to review HB 4869 that would further amend the Boxing Regulatory Act, 2004 PA 403, to add Mixed Martial Arts (MMA). We are pleased to have the opportunity of appearing before the Committee and would like to commend the Bill sponsors for introducing the Bill that in its present form will help clarify the status of MMA in this State. We would, however, like to provide some comments that we ask the Committee and Bill sponsors to consider about MMA and the impact of the proposed amendment to the Boxing Regulatory Act. While HB 4869 goes a long way with establishing a regulatory framework for MMA, the areas of concern, if resolved, will ensure that MMA will have a place in Michigan's future as well as ensuring the health, safety, and protection of contestants and the public.

The addendum contains a summary of our comments and the areas we ask the Committee and Bill sponsors to further consider. The Department and the Bureau offers to provide assistance to the Committee and the Bill sponsors to help resolve the identified issues.

We will be glad to answer any questions Committee members may have.

Suggested Amendments to House Bill 4869

1. With regard to an unarmed combat commission, we have been convinced that two separate commissions are better. Although we do not have recommended language at this point, we would be happy to provide it, or answer any questions you may have:
2. Regulating amateur mixed martial arts.

Page 7, line 8 insert “professional” before “boxing” and “amateur and professional,” after “and” and before “mixed martial arts.” This will allow the department to develop rules through a public process that will help us define these occupations and better regulate the industry. The current law does not differentiate between amateur and professional, so it will be difficult for us to regulate it until the rules are promulgated.
3. Fees. Fees must remain, at a minimum, where they are set for boxing, and we recommend several increases to avoid a deficit in funding as we are experiencing with boxing. Therefore, we recommend the following amendments:
 - a. Page 9, lines 6 through 9, remove the additions to the act, including “BOXING”, and ‘AND A MIXED MARTIAL ARTS PROMOTER SHALL FILE A BOND IN THE AMOUNT OF 410,000.00, WHICH BOND SHALL BE’. This will make the bond equivalent for both boxing and mixed martial arts.
 - b. We agree with the \$2500 annual license fee for the promoter, as other licensing fees for contestants, judges, and other officials do not cover the costs to process those licenses, and these fees should help to cover some of those costs.
 - c. Event fees. These are where the department is extremely under funded. Each event costs the department upward from \$2100 to \$3000. We recommend, on page 9, line 25, inserting “BOXING” AFTER “A” and adding “AND A MIXED MARTIAL ARTS PROMOTER MUST PAY AN EVENT FEE OF \$3000.
 - d. Regulatory and Enforcement fee. Page 10, line 7, strike all of subsection “a” and renumber the rest of section (6). This will prevent promoters from eluding the obligation to pay by avoiding the larger venues. To date, there have been no funds received as a result of this provision for boxing, and we do not expect that mixed martial arts will be conducted in larger venues, either.
 - e. Page 12, line 11, delete “Boxing”. There are no other references to a mixed martial arts promoter application fee, and it should be the same for both occupations. We agree that not less than \$500.00 is better than the previous amount of \$250.
4. Adoption of New Jersey Rules. We assume that the New Jersey Rules anticipated are those adopted February 18, 2003, but we could specify any amendments in the

administrative rules. We would like to put the actual date of adoption in the statute by replacing "2000" on page 7, line 17 with "February 18, 2003."

5. On page 7, at the end of line 25, "REFERENCES TO THE "COMMISSIONER" IN THE NEW JERSEY RULES MEAN THE DEPARTMENT" to clarify that operational implementation should be vested with the department.
6. We would prefer to write into the Michigan law or rules those parts of the New Jersey law that should apply. When we examined these rules, they have several references to other statutes, and therefore, it becomes very confusing to try to determine what the requirements really say. If a sunset date could be established within 2 years, this would allow the department to promulgate rules that could codify the rules that are appropriate for Michigan and establish all the requirements into one codified place to look for the requirements. At minimum, we would like to exclude New Jersey standard 13:46-24B.3. This section relates to Inspectors. We already have a solid administrative program for hiring, training and compensating inspectors, as well as for the duties of the inspectors
5. Promulgation of rules. The draft seems to limit rulemaking authority to license fees for boxing. On page 13, line 6, we recommend inserting "BOXING AND" between "FOR" and "MIXED."
6. Insurance. We believe that insurance for contestants is very important to protect their safety and health. At minimum, MMA contestants should be protected to the same extent that boxing contestants are covered. Therefore, on page 19, line 8, we recommend striking "BOXING" and also striking everything after "exhibition" on lines 15 through 22.
7. We recommend a definition of prize as "something offered or given of present or future value to a participant in a contest, exhibition or match." This should be added to the definition section.
8. Page 2, line 2, after "prize" add a period. Strike the rest of the sentence. Add a sentence such as "FOR BOXING CONTESTS, IT ALSO INCLUDES A PERSON REQUIRED TO BE REGISTERED BY USA BOXING." This creates a distinction between boxing and mixed martial arts.